

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCTS PRICE CHANGES
RATES OF GENERAL APPLICABILITY

Docket No. CP2013-3

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 4, QUESTION 1**
(November 6, 2012)

The United States Postal Service (Postal Service) hereby provides its response to Chairman's Information Request No. 4, Question 1, which was issued on October 31, 2012. Question 1 is reprinted verbatim and is followed by the Postal Service's response. The Postal Service is filing the accompanying financial workpaper under seal. A redacted version of the financial workpaper is filed publicly with this notice.

The Postal Service incorporates by reference the application for non-public treatment that was filed in conjunction with the notice that the Postal Service filed on October 11, 2012, in this docket.¹ The application protects from disclosure the information that has been redacted from the additional materials that the Postal Service is filing publicly today with this notice.

¹ Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 12-2, PRC Docket No. CP2013-3, October 11, 2012, Application of the United States Postal Service for Non-Public Treatment of Materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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November 6, 2012

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1. **Please refer to the Notice of the United States Postal Service of Filing Supplemental Materials, Excel file "ISAL-IPA Rate Increase_REDACTED.xls," worksheet tab: "07_Summary." The worksheet shows a single weighted average percentage change in price for the following products: ISAL, IPA, and Air M-Bags. In Governors' Decision No. 12-2 at page 6, the percentage change in price for these three products is 4.4, 1.9, and 7.3, respectively. Please file supporting workpapers showing all calculations used to derive the percentage change in price of 4.4 percent for ISAL, 1.9 percent for IPA, and 7.3 percent for Airmail M-Bags.**

RESPONSE:

First, concerning the percentage change in prices for ISAL and IPA, the Postal Service filed in this docket on October 12, 2012, a non-public version of the Excel file "ISAL-IPA Rate Increase Analysis_2012.10.1," with its Notice of the United States Postal Service of Filing Supplemental Materials. Worksheet tab: "07 Summary" of that Excel sheet includes the percentage increase for various types of ISAL and IPA. That worksheet stated that the increase for ISAL Drop Ship was 4.4% and that the increase for IPA Drop Ship for 1.9%. Because almost all ISAL volume is ISAL Drop Ship and almost all IPA volume is IPA Drop Ship, these percentage increases were included in Governors' Decision No. 12-2. Subsequently, the Postal Service calculated the percentage increases for the remaining types of ISAL and IPA and included them in the Excel file "ISAL-IPA Rate Increase Analysis_2012.10.1" that the Postal Service filed in this docket on October 12, 2012. In response to the Commission's request, the Postal Service provides with this filing a revised version of that "ISAL-IPA Rate Increase Analysis" Excel file, which shows in Worksheet tab: "07 Summary" that the percentage change in price for all 2012 ISAL projected volume is 4.3 percent, rather than 4.4 percent as set forth in Governors' Decision No. 12-2, at page 6.

The revised worksheet also shows that the percentage change in price for all 2012 IPA projected volume is 1.8 percent, rather than 1.9 percent as set forth in Governors' Decision No. 12-2, at page 6.

Second, concerning the 7.3 percentage change in price for Airmail M-Bags, the Postal Service filed a non-public version of the Excel file "MBAG.Calc.xls," in this docket on October 11, 2012, with its Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 12-2. The Excel file "MBAG.Calc.xls" shows all calculations used to derive the percentage change in price of 7.3 percent for Airmail M-Bags, which is the percentage change for Airmail M-Bags that is set forth in Governors' Decision No. 12-2, at page 6.